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March 7, 2018

VIA ELECTRONIC FILING

Jocelyn Boyd, Chief Clerk/Administrator
Public Service Commission of South Carolina
Synergy Business Park, Saluda Building
101 Executive Center Drive
Columbia, SC 29210

**Re: Duke Energy Progress, LLC - Application for Approval of the Transfer
and Sale of Property in Holly Springs, North Carolina**

Dear Ms. Boyd:

Enclosed for filing is the Application for Approval of the Transfer and Sale of Property in Holly Springs, North Carolina on behalf of Duke Energy Progress, LLC. By copy of this letter I am providing the Office of Regulatory Staff with a copy of same. Please contact me if there are any questions.

Yours truly,

Frank R. Ellerbe, III

FRE:tch

Enclosure

cc w/enc: Jeffrey M. Nelson, Chief Counsel, Office of Regulatory Staff (via email & US Mail)
Andrew Bateman, Staff Counsel (via email & US Mail)
Jenny R. Pittman, Staff Counsel (Via email & US Mail)
Heather Shirley Smith, Deputy General Counsel (via email)
Rebecca J. Dulin, Senior Counsel (via email)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2018-_____

IN RE:

Application of Duke Energy Progress,
LLC for Approval of the Transfer and Sale
of Property in Holly Springs, North
Carolina

APPLICATION FOR
APPROVAL OF TRANSFER
AND SALE OF PROPERTY

Duke Energy Progress, LLC (“DEP”), hereby applies to the Public Service Commission of South Carolina (the “Commission”) for approval of the transfer and sale of certain real estate, known as the Holly Springs, North Carolina Property (the “Property,” as shown in EXHIBIT B) that is currently included in the rate base of DEP. The Property is located in the DEP service territory in North Carolina. This Application is made pursuant to S.C. Code Ann. § 58-27-1300 (2015), 10 S.C. Regs. 103-830, and other applicable rules and regulations of the Commission. In support of this Application, DEP would show the following:

1. The name and address of the Applicant is

Duke Energy Progress, LLC
550 South Tryon Street
Charlotte, North Carolina 28202

2. The name and address of the Applicant's attorneys are:

Heather Shirley Smith, Deputy General Counsel
Rebecca J. Dulin, Senior Counsel
Duke Energy Corporation
40 West Broad St., Suite 690
Greenville, South Carolina 29601
Telephone: (864) 370-5045
heather.smith@duke-energy.com
rebecca.dulin@duke-energy.com

and

Frank R. Ellerbe, III (S.C. Bar No. 01866)
Samuel J. Wellborn (S.C. Bar No. 101979)
SOWELL GRAY ROBINSON STEPP & LAFFITTE, LLC
Post Office Box 11449
Columbia, South Carolina 29211
Telephone: (803) 227-1112
fellerbe@sowellgray.com
swellborn@sowellgray.com

3. Copies of all pleadings, orders or correspondence in this proceeding should be served upon the attorneys listed above.

4. DEP is a public utility engaged in the generation, transmission, distribution, and sale of electric energy in South Carolina and is subject to the jurisdiction of this Commission.

5. The Property consists of certain real estate that is not required for DEP's current utility operations. The property is a parcel of vacant land of 425 acres.

6. The Property is being sold to Shenandoah Homes LLC ("Shenandoah Homes"), a North Carolina limited liability company. This transaction will not affect DEP's ability to provide reliable service to its customers at just and reasonable rates.

7. The Property was acquired by DEP-predecessor Carolina Power & Light as part of the development of the Shearon Harris Nuclear Plant, is currently owned by DEP, and it has been determined that the Property is surplus. The parcel of land and its relationship to the Harris

Plant are shown on EXHIBIT A included in this report. The plat showing the property boundaries is attached as EXHIBIT B.

8. DEP has entered into a contract with Shenandoah Homes to sell the Property for \$17,000,000. The Property has a tax value of \$14,695,799; an appraisal of the Property completed on November 14, 2016 valued the Property at \$9,300,000, as shown in EXHIBIT C; an appraisal of the Property completed on May 25, 2017 valued the Property at \$12,765,000, as shown in EXHIBIT D; and the Property has a current net book value of \$591,622. The sale of the parcel will allow Shenandoah Homes to develop a mixed-use development along Woods Creek Road in the Town of Holly Springs, North Carolina. This development will contain single family residential, multifamily residential, office, and commercial uses on the parcel.

9. The original cost of the Property being sold will be credited as a reduction of the amount carried upon the books of DEP under Account 101, "Electric Plant in Service." The difference between the sales price and the original cost of the non-depreciable Property will be applied to Account 421.10, "Gain on Disposition of Property."

10. The South Carolina Office of Regulatory Staff has been served with a copy of this application and exhibits. S.C. Code Ann. § 58-27-1300 (2015) provides that an electric utility must first obtain Commission approval prior to selling or otherwise transferring utility property with a fair market value greater than \$1 million. Therefore, DEP applies to the Commission for permission to sell the Property.

11. Applicant requests that this Commission: (i) approve this matter at the next appropriate weekly agenda session; (ii) issue an appropriate order approving the relief sought in the DEP's Application; and (iii) grant such other and further relief as this Commission may deem just and proper.

WHEREFORE, Applicant prays that, pursuant to S.C. Code § 58-27-1300 (2015) and other applicable rules and regulations, the Commission enter an order approving the transfer and sale of the Property.

Dated this 7th day of March, 2018.

Heather Shirley Smith, Deputy General Counsel
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and

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